

-1998 Issue Update -

February 1998

Dear Friends and Neighbors:

As you read this, the Legislature is nearing the mid-point of a 60-day session. Discussions have been covering a wide range of issues, including the state budget, transportation and many others.

Inside, you'll find details on a few important topics that have direct or indirect consequences for all of us. There are also results from a recent questionnaire sent to citizens in Spokane's 3rd District. Thanks to each of you who took the time to write, call or e-mail your suggestions on dealing with the myriad of issues facing the state of Washington.

Of course, the biggest issue this session is the budget. We're in the enviable position of having a general fund surplus of several hundred million dollars. The debate on what to do with that surplus has many points of view:

- Do we allow further tax breaks for businesses?
- Do we provide resources for schools and health care?
- Do we sock the surplus away for a rainy day?
- Or do we carry out some combination of these strategies?

Discussion on the budget will continue to dominate this year's legislative session. Stay tuned.

Please write or call my office if you'd like more information on an issue, or if I can help you in any way. You can also use the toll-free Legislative Hotline at 1-800-562-6000 to leave messages for the governor and for any legislator.

Sincerely,

Alex Wood

State Representative

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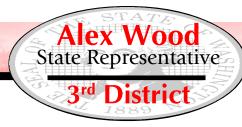
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COMMITTEE ASSIGNMENTS:

- Commerce and Labor Assistant Ranking Minority Member
- Health Care
- Transportation Policy and Budget





Survey Results: Citizens share their views

A recent survey shows that transportation, crime and health care issues should be the priority for Washington legislators this session. That's according to a poll of citizens in Spokane's 3rd District. The questionnaire was part of my December newsletter, and my office received responses from 477 citizens: a very good return.

People were asked what should be done with the \$823 (since grown to 861) million dollar budget surplus. Just over 35 percent said their first choice was using the money for roads and transportation. Eighteen percent said that K-12 education should receive additional funds. And tax cuts were the priority for another 14 percent of those responding, and that those cuts should go to families first. Rounding out the list were child care (eight percent); rebuilding schools (six percent); saving the money (six percent); higher education (four percent). Eight percent wanted other programs to be the priority in dealing with the surplus, including long-term care, affordable housing, environment, Head Start, traffic enforcement, and job development, among others.

Among the major issues people want the Legislature to tackle during the session: 22 percent said crime is the highest priority. Another 19 percent said health care should receive attention. Transportation received a 16 percent share, and K-12 Education was the priority for 15 percent. These results are virtually identical to citizen responses to other legislative surveys from throughout the state. All the comments were very helpful and informative. Thanks to everyone who took part.



Education: Our Paramount Duty

It's a cliche, I admit, but nevertheless true that our children are our future. We have an obligation to make sure schools have the proper resources for educating Washington's young people.

The trend in recent years, however, has been in the opposite direction. Taking inflation into account, current school funding is down \$68 per student from last year. Next year's funding will drop by \$101 per student — that's \$261 less than we were investing in 1993. With the huge state-revenue surplus, this is a

very good time to strengthen school funding and ease some of the local property-tax pressure.

Another important factor to keep in mind is that only three states have classrooms that are more crowded than in Washington. And one of those three -- California -- has just put together a bipartisan strategy that will pump \$2 billion into the schools there to improve the teacher-student ratio. So, it looks like we'll be moving down a notch to No. 48.



Transportation: The Pressure is Building

Business and civic leaders say that Washington's transportation problems threaten our economy, our quality of life and the future of the state. Congestion, poor road conditions and crumbling bridges are slowing to a crawl the movement of freight, and fueling highway violence that places us all in danger. State and local transportation officials have identified more than \$26 billion in transportation needs for the next two decades. Current law and revenue forecasts will provide barely a third of that amount.

> **"Spokane citizens** have made it clear they don't want the gas tax raised."

The Legislative Transportation Committee is considering many ways of dealing with the issue. But it all boils down to money. So what are the options? Spokane citizens have made it clear they don't want the gas tax raised. A thorough audit of the Department of Transportation now taking place will certainly produce savings, but not nearly enough. We have a huge general fund surplus, but constitutional and legal questions may prevent it from being used for transportation purposes.

One possibility is exempting the first \$2,500 in the valuation of an auto from the state Motor Vehicle Excise Tax (license tabs). At current rates, this would amount to about \$55 per car. With five million cars on the road, this comes to about \$275 million a year. Some legislators are recommending that local governments be authorized to collect this \$55 per vehicle

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themselves, if the revenue is used for transportationrelated improvements required by the Growth Management Act.

Another idea involves a similar shift in taxing authority to put more money and discretion into the hands of local governments. A shift of just one-tenth of a percent sales tax from state to local budgets would give those GMA-affected localities \$80 million dollars in transportation funds.



Under deregulation, we'd choose where we get our electricity just like choosing a long-distance phone company. Power lines running into our homes would remain, but we might get one bill from the utility that maintains the lines, and another bill from the utility or power marketer that actually generates the electricity.

Those who study electric power know that Washington citizens enjoy some of the cheapest, cleanest power in the country. However, virtually every study shows that if efforts to deregulate the electric industry succeed, power bills in for Washington citizens and small businesses would skyrocket. For example, a recent Department of Energy analysis showed that rates here would soar by 25 percent or more — about \$200 per household per year.

Why are some interests pushing for deregulation? Large industrial users of power in other states — California and on the East Coast — have their eyes on Washington's cheap electricity. Multinational power marketers and some utilities want deregulation because they have lots of power they can sell on the open market and they're already prepared to compete. By selling to higher-cost states like California, whose rates are twice that of Washington's, they can save enormous amounts of money.

These proponents argue that Washington state should deregulate now because other states are deregulating. Also, Congress may pass legislation that deregulates the industry nationally. We should closely watch the experiences of other states and learn from their mistakes before we rush into deregulation. Washington state should not deregulate unless small businesses and citizens are assured we'll be better off. Unfortunately, we're finding there's nowhere for our rates to go but up.



Health care: Important to Working Families

The Basic Health Plan (BHP) was initiated in 1988 as the best way to provide affordable health insurance to low income families. It's been successful despite repeated legislative attempts to make it less affordable, less accessible and less comprehensive. The time is right to expand the program so that more families can be served.

But some lawmakers have been hard at work dismantling health care reform in past sessions.

It's true the BHP has experienced huge increases in copayments and monthly premium rates — a nearly 140 percent increase by one insurer. Such increases severely impede the plan in its mission to provide affordable coverage for low-income working people and those who have no other coverage. If poor working families are stripped of their ability to afford health insurance, it will be the taxpayers who pick up the tab, not insurers.

Unless something is done soon, this landmark program will not survive. That means rolling back premiums, co-pays and sponsor costs to affordable levels. Then, the Basic Health Plan will work once again for low-income working people.

Economic security: Washington citizens have a right to expect fair wages and basic benefits

The minimum wage here in Washington right now is \$5.15 an hour, the lowest on the West Coast. There's a movement in the legislature to boost that to at least \$6.50 an hour.

While state and national unemployment rates remain at record low levels, hundreds of part-time and temporary workers are struggling to make ends meet. Many of them don't receive even the most basic on-the-job benefits.

The number of medium and large firms providing health care fell from 96 percent in 1985 to 77 percent in 1995 — the biggest shift in coverage since people started keeping these statistics. Part-time employment has risen from 19 percent to 26 percent of the work

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force in just the past 10 years. Less than half of all part-time workers receive paid holidays — and that number is declining. The percentage of part-time employees getting paid sick leave has also fallen — from 30 percent in 1985 to 19 percent in 1995.

Business should be encouraged to provide benefits for all part-time and temporary workers on a pro rata basis. Emergency and family leave, for instance, should be guaranteed so that workers don't lose their jobs when they have to take time away for a long-term medical emergency.



Drunken driving: Tougher Penalties Ahead

The governor has come out with proposals that clamp down on drunken driving. Here are the main recommendations outlined in his plan:

 A lower blood-alcohol level for establishing the crime of driving under the influence. The standard would be lowered from .10 percent to .08 percent. Consider the results of research into the effects on drivers of relatively low amounts of alcohol. A study found that men over 25 years old who have bloodalcohol levels between .05 and .09 are more likely to be killed in car accidents than men who haven't been drinking at all. The increased risk is even higher for women drivers who have a so-called low level of alcohol in their system.

- An automatic license suspension and impoundment of vehicles. The license suspension would take away a drunken motorist's right to drive for 90 days before he or she is convicted. The vehicle impoundment would run 15 days for a first offense; a second offense would mean forfeiture of the vehicle.
- A restriction on the use of deferred prosecution. Currently, motorists charged with DUI can seek a deferred prosecution allowing them to obtain treatment. If they comply with the terms of the deferred prosecution, they keep their license. There's no record of a DUI conviction, and their insurance rates don't go up. People are now limited to one deferred prosecution every five years. The governor's plan would limit this option to once a lifetime.

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